

**IN THE SPECIFICATION:**

On Page 7, lines 14 - 17, please replace with the following paragraph:

--The three phase separator 10 also includes a cylindrical horizontal vessel or unit 20. The horizontal unit 20 includes a pair of opposed ends, a first, closed end 22 and a second, open end 24. The horizontal unit has an axis 26 illustrated by dashed lines. The horizontal unit may be enclosed or surrounded in a water heater bath (not shown). Heating assists in the liquid separation process. The horizontal unit 20 may also include a water outlet 60 and an oil outlet 62, all as are well known.-